

2011 Property Tax Report

Starke County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Starke County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Starke County

The average homeowner saw a 0.6% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 32.0% lower than they were in 2007, before the property tax reforms.

94.9% of homeowners saw lower tax bills in 2011 than in 2007.

46.7% of homeowners saw tax decreases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 20% and 49% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	2,422	41.5%	276	4.7%
No Change	203	3.5%	24	0.4%
Lower Tax Bill	3,213	55.0%	5,538	94.9%
Average Change in Tax Bill	0.6%		-32.0%	
Detailed Change in Tax Bill				
20% or More	215	3.7%	135	2.3%
10% to 19%	809	13.9%	53	0.9%
1% to 9%	1,398	23.9%	88	1.5%
0%	203	3.5%	24	0.4%
-1% to -9%	2,728	46.7%	195	3.3%
-10% to -19%	291	5.0%	369	6.3%
-20% to -29%	70	1.2%	1,154	19.8%
-30% to -39%	32	0.5%	1,673	28.7%
-40% to -49%	11	0.2%	1,018	17.4%
-50% to -59%	15	0.3%	483	8.3%
-60% to -69%	15	0.3%	166	2.8%
-70% to -79%	7	0.1%	124	2.1%
-80% to -89%	11	0.2%	100	1.7%
-90% to -99%	5	0.1%	67	1.1%
-100%	28	0.5%	189	3.2%
Total	5,838	100.0%	5,838	100.0%

Note: Percentages may not total due to rounding.

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LOSS OF STATE HOMESTEAD CREDIT IS ALMOST OFFSET BY LOWER TAX RATES, RESULTING IN A SMALL INCREASE IN HOMESTEAD TAXES

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Homestead Property Taxes

Homestead property taxes increased 0.6% on average in Starke County in 2011. This was less than the state average of 4.4%. Starke County homestead taxes were still 32.0% lower in 2011 than they were in 2007, before the big tax reform. The small homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 3.9% in Starke County in 2010. In addition, Starke County's local homestead credit declined slightly in 2011, due to a drop in the local income tax revenues that fund it. Tax rates fell in many Starke County tax districts, which is the reason why the homestead tax increase was so small.

Tax Rates

Property tax rates declined in just over half of Starke County tax districts. The average tax rate fell by 0.9% because of an increase in certified net assessed value. Levies in Starke County decreased by 0.1%. The biggest levy increases were in the North Judson-San Pierre Schools debt service fund and the county general fund. The biggest levy reductions were in the Knox Community Schools debt service and bus replacement funds and the Oregon-Davis Schools debt service fund. Starke County's total net assessed value decreased 1.8% in 2011. (The certified net AV used to compute tax rates rose by 0.7%.) Homestead assessments decreased by 1.8%, and agricultural net assessments increased by 1.9%. Other residential assessments showed a decrease of 1.4%, while business net assessments decreased by 6.0%.

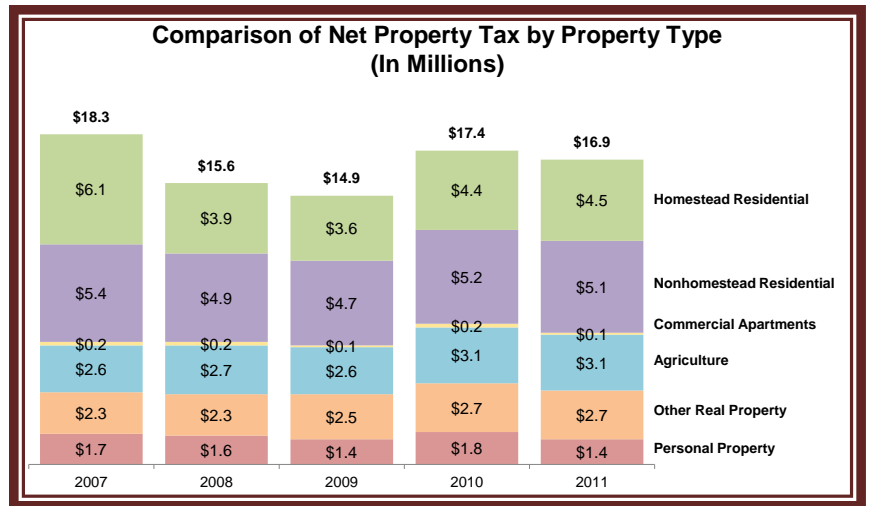
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*DECREASES FOR OTHER RESIDENTIAL,
APARTMENT, AND BUSINESS TAXES; AN
INCREASE FOR AGRICULTURE*

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers fell 2% in Starke County in 2011, compared to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 2.4%. Tax bills for commercial apartments fell 20.0%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - decreased by 6.6%. These tax bill decreases reflect the lower tax rates and changes in assessments in Starke County in 2011. However, agricultural tax bills rose 1.5%. This was mainly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS
INCREASED IN 2011*

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Total tax cap credit losses in Starke County were \$425,552, or 2.5% of the levy. This was less than the state average loss rate of 9.2% and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Starke County's tax rates were lower than the state median.

More than three-quarters of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. Starke County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in the city of Knoxville and the town of North Judson. The largest dollar losses were in the Knoxville Community School Corporation and the city of Knoxville.

Starke County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$32,299	\$319,842	\$0	\$2,102	\$354,243	2.0%
2011 Tax Cap Credits	50,721	372,251	0	2,580	425,552	2.5%
Change	\$18,422	\$52,409	\$0	\$478	\$71,309	0.4%

Tax cap credits increased in Starke County in 2011 by \$71,309, or 20%. The additional credits

represent an added 0.4% loss in the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category. This was mainly the result of tax rate increases in two districts where rates were already above \$2. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits added to the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had an effect on Starke County assessments for pay-2011. Property values and construction activity appear to have fallen in Starke County in 2009. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. Growth in assessments would have reduced tax rates, since Starke County levies changed so little. Tax cap credits would have fallen had this happened.

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*2009 RECESSION REDUCED
ASSESSMENTS IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$776,396,400	\$767,614,200	-1.1%	\$322,243,731	\$316,316,268	-1.8%
Other Residential	273,550,700	269,863,700	-1.3%	273,277,090	269,556,321	-1.4%
Ag Business/Land	187,376,000	190,968,300	1.9%	187,176,560	190,765,860	1.9%
Business Real/Personal	235,512,860	218,987,410	-7.0%	198,156,997	186,268,972	-6.0%
Total	\$1,472,835,960	\$1,447,433,610	-1.7%	\$980,854,378	\$962,907,421	-1.8%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Starke County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	22,830,274	22,352,358	14,908,408	17,213,889	17,192,870	-2.1%	-33.3%	15.5%	-0.1%
State Unit	22,378	26,761	0	0	0	19.6%	-100.0%		
Starke County	5,398,634	4,153,738	3,353,619	3,601,565	3,754,551	-23.1%	-19.3%	7.4%	4.2%
California Township	253,803	233,768	264,911	279,764	287,739	-7.9%	13.3%	5.6%	2.9%
Center Township	69,171	63,426	34,671	53,889	35,652	-8.3%	-45.3%	55.4%	-33.8%
Davis Township	53,839	46,445	51,174	50,868	56,599	-13.7%	10.2%	-0.6%	11.3%
Jackson Township	18,033	16,725	14,719	15,582	15,018	-7.3%	-12.0%	5.9%	-3.6%
North Bend Township	65,024	61,831	70,367	71,771	71,462	-4.9%	13.8%	2.0%	-0.4%
Oregon Township	89,703	94,656	99,274	106,217	108,919	5.5%	4.9%	7.0%	2.5%
Railroad Township	88,392	84,736	90,563	98,852	100,059	-4.1%	6.9%	9.2%	1.2%
Washington Township	77,050	71,822	106,462	153,371	116,264	-6.8%	48.2%	44.1%	-24.2%
Wayne Township	56,628	52,991	55,568	59,584	61,654	-6.4%	4.9%	7.2%	3.5%
Knox Civil City	1,334,699	1,216,068	1,211,204	1,395,670	1,389,201	-8.9%	-0.4%	15.2%	-0.5%
Hamlet Civil Town	169,628	171,997	159,894	192,064	196,659	1.4%	-7.0%	20.1%	2.4%
North Judson Civil Town	362,220	348,600	379,074	408,813	419,524	-3.8%	8.7%	7.8%	2.6%
Culver Community School Corp	831,180	1,022,647	403,775	437,759	440,752	23.0%	-60.5%	8.4%	0.7%
Oregon-Davis School Corp	2,516,628	2,525,712	1,280,426	1,948,183	1,835,536	0.4%	-49.3%	52.2%	-5.8%
North Judson-San Pierre School Corp	3,484,664	3,451,515	2,018,589	2,054,326	2,334,608	-1.0%	-41.5%	1.8%	13.6%
Knox Community School Corp	6,672,145	7,530,063	4,093,178	4,931,910	4,673,468	12.9%	-45.6%	20.5%	-5.2%
North Judson Public Library	199,311	188,482	186,163	208,343	224,941	-5.4%	-1.2%	11.9%	8.0%
Starke County Public Library	848,961	786,425	810,093	910,798	824,542	-7.4%	3.0%	12.4%	-9.5%
Starke County Airport Authority	218,183	203,950	224,684	234,560	245,722	-6.5%	10.2%	4.4%	4.8%
Starke County Solid Waste Mgt Dist	0	0	0	0	0				

Starke County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

			Credit Rates						Net Tax Rate, Homesteads
Dist #	Taxing District	Tax Rate	LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
75001	California Township-NJSP Schools	1.8100	--	--	4.2587%	--	--	--	1.7329
75002	California Township-Knox Schools	1.8129	--	--	4.2363%	--	--	--	1.7361
75003	Center Township	1.6711	--	--	4.7307%	--	--	--	1.5920
75004	Knox City (Center)	2.9280	--	--	2.7145%	--	--	--	2.8485
75007	Jackson Township	1.7099	--	--	4.8493%	--	--	--	1.6270
75008	North Bend Township	0.9829	--	--	8.3085%	--	--	--	0.9012
75009	Oregon Township	1.5200	--	--	5.3808%	--	--	--	1.4382
75011	Railroad Township	1.8155	--	--	4.2873%	--	--	--	1.7377
75012	Washington Township	1.8035	--	--	4.5394%	--	--	--	1.7216
75013	Wayne Township	1.7811	--	--	4.1451%	--	--	--	1.7073
75014	North Judson Town (Wayne)	2.8246	--	--	2.7060%	--	--	--	2.7482
75015	Davis Township	1.6018	--	--	6.0434%	--	--	--	1.5050
75016	Hamlet Town-Davis Township	2.5407	--	--	3.3279%	--	--	--	2.4561
75017	Hamlet Town-Oregon Township	2.5406	--	--	2.9603%	--	--	--	2.4654

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Starke County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	50,721	371,050	0	2,580	424,351	17,192,870	2.5%
<i>TIF Total</i>	0	1,201	0	0	1,201	85,211	1.4%
<i>County Total</i>	50,721	372,251	0	2,580	425,552	17,278,081	2.5%
Starke County	7,102	51,544	0	522	59,168	3,754,551	1.6%
California Township	109	0	0	39	148	287,739	0.1%
Center Township	73	563	0	7	643	35,652	1.8%
Davis Township	1	142	0	0	144	56,599	0.3%
Jackson Township	0	0	0	0	0	15,018	0.0%
North Bend Township	0	0	0	4	4	71,462	0.0%
Oregon Township	2	48	0	19	70	108,919	0.1%
Railroad Township	0	0	0	7	7	100,059	0.0%
Washington Township	0	0	0	0	0	116,264	0.0%
Wayne Township	153	929	0	16	1,097	61,654	1.8%
Knox Civil City	13,602	104,608	0	281	118,491	1,389,201	8.5%
Hamlet Civil Town	173	9,283	0	0	9,456	196,659	4.8%
North Judson Civil Town	6,943	42,219	0	135	49,298	419,524	11.8%
Culver Community School Corp	0	0	0	27	27	440,752	0.0%
Oregon-Davis School Corp	149	7,970	0	243	8,362	1,835,536	0.5%
North Judson-San Pierre School Corp	7,123	43,316	0	432	50,871	2,334,608	2.2%
Knox Community School Corp	12,502	90,813	0	653	103,969	4,673,468	2.2%
North Judson Public Library	1,177	7,155	0	62	8,393	224,941	3.7%
Starke County Public Library	1,147	9,087	0	98	10,332	824,542	1.3%
Starke County Airport Authority	465	3,373	0	34	3,872	245,722	1.6%
Starke County Solid Waste Mgt Dist	0	0	0	0	0	0	
TIF - Knox Area 18	0	1,201	0	0	1,201	83,706	1.4%
TIF - Sysco Area 5	0	0	0	0	0	1,505	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.